

Exhibit 24

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COMMODITY FUTURES TRADING COMMISSION

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IN THE MATTER OF:

RETAIL FOREX FRAUD

-----x

140 Broadway
New York, New York

April 7, 2016
9:44 a.m.

DEPOSITION of JOHN DITTAMI, the witness
herein, taken by the Commodity Futures Trading
Commission, pursuant to Agreement, held at the
above-noted time and place, before a Notary Public
of the State of New York.

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1 John Dittami

2 execution, the ultimate goal was to do trading
3 that was to be both institutional -- up against
4 institutional counterparts and retail counterparts
5 to build distribution services, to build an entire
6 institution for foreign exchange business.

7 Q How long did you stay at FXCM?

8 A We separated I believe March 23rd
9 when I formed Effex Capital.

10 Q When did you leave?

11 A FXCM said that I was not allowed --
12 that I wouldn't be able to trade and be owned by
13 FXCM, so we had to separate. FXCM said I couldn't
14 trade there for regulatory reasons, they said --
15 and they said you have to separate into your own
16 entity, you cannot trade and be part of FXCM.

17 Q Who told you that you couldn't be
18 part of FXCM?

19 A It's a long time ago, it was
20 probably William, it's probably William but it's a
21 long time, William Ahdout, that's probably but
22 it's a long time ago.

23 Q What did William Ahdout tell you?

24 A I'm sorry, probably also Ken
25 Grossman.

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1 John Dittami
2 consume at -- the consumer, I'm providing
3 liquidity. Market taking is I am the consumer as
4 opposed to the liquidity provider.

5 MR. DALY: Thank you.

6 BY MR. ROMEU-MATTA:

7 Q Does Effex Capital have a business
8 model?

9 A We have a business model market
10 making and it's nothing formal but we -- yes.

11 Q That's what you've already described
12 as market making and market taking?

13 A Market making, yeah.

14 Q What entities does Effex Capital
15 currently provide liquidity for?

16 A FXCM, EDS, Hot Spot, Currenex,
17 Reuters, R-e-u-t-e-r-s, Fast Match which is an
18 FXCM entity, Fast Match, I'm sure there are
19 others, I didn't get a list.

20 Q What financial institutions,
21 exchanges or --

22 A Within those there are end customers
23 within these distribution accounts.

24 Q What financial institutions,
25 exchanges or ECMs does Effex Capital currently

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1 John Dittami

2 to make money but it's a belief system, so it's a
3 combination of people don't want to lose their
4 jobs, people don't want to change, people are
5 hesitant to work with a small non-bank and take
6 pressure from the other banks, constantly take
7 pressure.

8 Q The fact that you Effex Capital was
9 a non-bank was not an issue for FXCM?

10 A No, and I think that's because I had
11 started before the transition in an employee
12 relationship, I think if I had not started in that
13 relationship it probably would have been an issue
14 for them.

15 Q How did starting in a relationship
16 with FXCM help them -- convince them that they
17 could deal with a non-bank?

18 A I think they figured out I was the
19 real deal, I don't think they even thought that I
20 would be able to make money on this. It's very
21 uncommon, not a lot of people -- a very small
22 amount of people succeed in trading ventures but
23 those that do succeed in an outsized way.

24 Q When Effex Capital was first
25 organized what entities did it provide liquidity

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1 John Dittami

2 for?

3 A When it was first organized it only
4 provided liquidity to FXCM.

5 Q For how long?

6 A Until we added Interbank. EBS, we
7 were the designated market maker for the smallest
8 contracts for the largest Interbank in the world,
9 that's EBS.

10 Q When did that take place?

11 A 2010. I'm not going to get the date
12 right but we were out trying to sell everyone as
13 quick as possible. Gain Capital they wouldn't
14 take it. EBS I think was the first and then
15 Reuter's was the second, that was in 2010, both of
16 those, then we were out hitting the street. I
17 can't remember when we started pricing Alpari. We
18 were very quickly on boarding.

19 Q So it changed over time?

20 A It changed over time, yeah.

21 Q How did it change over time?

22 A We've had, like I said, 170
23 different connections over this these years.

24 Q When you say connections what do you
25 mean?

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1 John Dittami

2 A Streams, you know, to different
3 ECNs, to end customers through an ECN, to big
4 brokers, Alpari, Saxal Bank. Every competitor of
5 FXCM we tried to sell our liquidity to.

6 Q When Effex Capital was first
7 organized what percentage of profits from derived
8 from market making at FXCM?

9 A A hundred percent on the first day.

10 Q For how long?

11 A Until we started trading EBS and
12 Reuters, so sometime in -- a few months later,
13 roughly in 2010, as soon as we started getting
14 that trading going out of the ECNs. It would have
15 been after July, it must have been 2010.

16 Q Did the percentage of profits that
17 Effex Capital derived from market making at FXCM
18 change over time?

19 A Yes, it fell. It fell for a long
20 time until this year and then this year it rose
21 because I changed my business model, I starting
22 closing off a lot of streams to have less streams,
23 started focusing on trading my props. It fell for
24 a long, long, long time, just kept falling.

25 Q When it was first organized who had

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1 John Dittami

2 A William Ahdout.

3 Q Ahdout. What was your professional
4 involvement with Drew Niv at the time that you met
5 him?

6 A Didn't have any, just talking about
7 whether we'd become an employee.

8 Q Did that change over time?

9 A No, it's been professional, always
10 professional business relationship.

11 Q You said you mentioned
12 William Ahdout?

13 A Yes.

14 Q How do you know William Ahdout?

15 A Through the introductions from Scott
16 Silver initially is when I met William Ahdout.

17 Q He was introduced at the same time
18 as Drew Niv was introduced?

19 A William Ahdout was introduced first.

20 Q You had conversations about your
21 interests with William Ahdout?

22 A Yeah, what can we do together, if
23 anything.

24 Q What did you say?

25 A I basically said I think, you know,

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1 John Dittami

2 I think you're getting terrible executions from
3 the banks, I think they're horrendous, we all know
4 this and I think you can do better, we fix
5 execution, I think I have a modern framework for
6 doing this, I think the banks are under valuing
7 your flow, I think I can grow your institutional
8 business, we can do all these things and do it in
9 a way which I believe the world is changing to
10 more, to more open, transparent and regulated and
11 careful and, you know, people are going to start
12 paying attention that their execution stinks and I
13 can do this, I can build a business around all of
14 these things.

15 Q Let me see if I have an
16 understanding. You were talking to William Ahdout
17 and Drew Niv at the same time?

18 A No, most of my conversations would
19 have been with William until William would have
20 brought me in to meet with Drew.

21 Q What did William Ahdout say during
22 your conversations?

23 A We would have discussed a venture,
24 negotiating what a venture would look like, et
25 cetera.

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1 John Dittami

2 A I think it was the eleventh floor.

3 Q How long did you stay at the
4 eleventh floor?

5 A Until we moved into our Jersey City
6 office location. Again, I'm fuzzy on dates it's
7 so long ago. I'll correct them and get you right
8 dates but I think our move in date was April 2011
9 or March 2011. We contracted the space the very
10 first week of January 2011, started negotiating
11 the space before that in 2010 but we can get you
12 exact dates, I don't want to get them wrong but
13 that was roughly.

14 Q Are you familiar with the FXCM
15 retail Forex business model that was in place
16 between December 2010 and August 2014?

17 A I'm familiar through interaction
18 with FXCM.

19 Q So you have an understanding --

20 A I have an understanding of it, yes.

21 Q What is your understanding?

22 A My understanding is that they're an
23 agency model, they take liquidity providers prices
24 and mark them up and that's how they earn their
25 revenue through marking up the best price of the

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1 John Dittami

2 who I spoke to. I don't know what the formal
3 approval process is.

4 Q Do you know why FXCM agreed to
5 create EES?

6 A Yeah, I mean, they were getting
7 horrendous fills which hurt their profitability,
8 they knew they had problems with liquidity. I
9 think they felt I was a cheap way to get a highly
10 experienced employee. Looking with hindsight, I
11 actually don't even think they expected me to make
12 any profits. I think they were looking at me as
13 someone with institutional knowledge that they
14 don't have inside of a retail world, that knows
15 how to figure out what's going on, why they're
16 getting bad executions from banks. I mean, that's
17 with hindsight, they wouldn't have told me that.
18 Yeah, hindsight I think, I was like a free option
19 for them, cheap option for them to get value into
20 their entity that they didn't have.

21 BY MR. DALY:

22 Q Mr. Dittami, you said, if I heard
23 you correctly, that it was FXCM's idea for you to
24 be an employee; is that correct?

25 A Yes.

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1 John Dittami

2 A No.

3 Q Did there come a time when the EES
4 Division was spun off from FXCM?

5 A The EES Division was never spun off,
6 the EES Division became -- I built Effex Capital
7 which became the replacement as my independently
8 own Effex Capital.

9 Q So is it fair to say that there came
10 a time when the EES Division ceased doing business
11 at FXCM?

12 A Yes.

13 Q When was the EES Division -- when
14 did the EES Division cease operations as a
15 division of FXCM?

16 A It would have been in between --
17 March 23rd Effex Capital was formed, so it would
18 have been between that and -- I'm not sure how to
19 draw the line but right in that March 2010 region,
20 and the end of March 2010 region.

21 Q Why did the EES Division cease doing
22 business as a division of FXCM?

23 A FXCM said that EES would not be able
24 to trade as a part of FXCM, EES could not be
25 connected -- could not be owned or operated by

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1 John Dittami

2 Exhibit No. 9. Can you please review it and let
3 me know when you're done.

4 (Witness perusing document.)

5 A Yes, I'm fine.

6 Q Before we go on to Exhibit No. 9
7 just backing up for a minute. I believe that you
8 stated that it was your understanding that your
9 future relationship with FXCM would mirror the
10 employment agreement, is that a correct
11 understanding?

12 A That is correct.

13 Q That would mean that in mirroring
14 the employment agreement there would be a 70/30
15 split under the agreement?

16 A It would be roughly approximate,
17 yes.

18 Q Approximately 70/30 split; is that
19 correct?

20 A Yes. At the beginning, yes.

21 Q That would carry over into a
22 services agreement; is that correct?

23 A Well, the 70/30 split would not
24 carry over into a services agreement. Ken
25 Grossman said we would not have 70/30, this has to

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1 John Dittami

2 be negotiated has to be per million. Ken Grossman
3 was very clear that -- and I don't understand why
4 he wanted the per million and that we would
5 negotiate it over time.

6 Q But the per million was essentially
7 a 70/30 split?

8 A Initially it was set to my
9 estimation, yes, correct, 70/30 if my estimation
10 as to what the income would be at that point in
11 time.

12 Q What was your estimation of the
13 income at that point in time?

14 A Given it was \$21 per million I was
15 paying my estimate would have been \$30 per
16 million.

17 Q \$21 per million would go to FXCM and
18 the remainder would go to Effex; is that correct?

19 A That is correct.

20 Q Taking a look at Exhibit No. 9 it
21 appears that you, David Sassoon, William Ahdout
22 and Kenneth Grossman had an earlier meeting; is
23 that correct?

24 A Yes, looks that way.

25 Q Because the subject is recap

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1 John Dittami

2 Q Did you end up renegotiating fees?

3 A Yes, we did.

4 Q Why did you renegotiate the fees?

5 A I felt that it was -- they were
6 getting more value in our business relationship
7 than I was getting, I renegotiated fees.

8 Q They were getting a larger portion
9 of the profits?

10 A No, they were weren't getting a
11 larger portion, I felt they didn't deserve a
12 relevant portion -- they weren't getting a large
13 -- it wasn't about a portion for me to negotiate
14 fees, it's about I'm giving them -- they're asking
15 for a lot of work, giving them a lot of service to
16 them and, you know, I don't think the flows is
17 valuable as it was, for some combination of
18 business reasons I choose to negotiate it lower.

19 Q Did anybody at FXCM tell you that
20 there might be a need to adjust the \$21 per
21 million?

22 A FXCM would -- I would have gone to
23 FXCM and said negotiate this lower.

24 Q So it would have been you, it
25 wouldn't have been FXCM?

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1 John Dittami

2 have to know what my costs are, how much am I
3 servicing them, I mean, we know it's going to
4 change.

5 Q It would be a renegotiation of the
6 profits?

7 A We knew there are going to be
8 renegotiations, yeah.

9 Q Of the profits split?

10 A Yes. 70/30 was an easy way to start
11 but we knew there would be renegotiations.

12 Q When did that change, the profit
13 split?

14 A It changes nearly instantly. When
15 is my thinking changing is really a better
16 question. You know, sometime in early 2011 but,
17 you know, I would internally account roughly as a
18 70/30 but it wasn't 70/30, we had a right to
19 negotiate right away so I guess we could
20 renegotiate it.

21 BY MR. DALY:

22 Q Mr. Dittami, you said just several
23 times, we knew, can you define who the we is in
24 this context?

25 A It's clear FXCM and I know that this

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1 John Dittami

2 is a negotiation and they have their interest to
3 get as high as possible and mine is just to get as
4 low as possible.

5 Q When you say FXCM, do you have
6 particular individuals at FXCM in mind?

7 A William and Drew Niv.

8 Q So the we you're referring to is
9 yourself, Willan and Drew?

10 A Yes.

11 MR. DALY: Thank you.

12 (Instant message communication
13 marked Exhibit 15 for identification.)

14 BY MR. ROMEU-MATTA:

15 Q Let me show you what I've marked as
16 Exhibit 15. Please take a look at it and let me
17 know when you're done reviewing it?

18 (Witness perusing document.)

19 A Yes, I see it.

20 Q Did you recognize Exhibit 15?

21 A Looks like an instant message
22 communication but no, I don't -- looks like some
23 sort of instant message communication. Yes, it
24 looks like an instant message communication.

25 Q Who is Joe Rosenfeld -- J.

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1 John Dittami

2 A Yes.

3 Q What is the meaning of rebates for
4 FX trades in the context of this document?

5 A I think that's a bad nomenclature,
6 but it's to refer to the \$21 per million from the
7 services agreement contract.

8 Q Is it a rebate or returning to FXCM
9 Holdings part of the profits that Effex made in
10 trades --

11 A No.

12 Q -- in trades sent to Effex by FXCM,
13 LLC?

14 MR. HENDERSON: Can you read that
15 question back?

16 Q Was Effex rebating or returning to
17 FXCM Holdings a part of the profits Effex made in
18 trades sent to Effex by FXCM, LLC?

19 A No, this is not a rebate of profits,
20 this is a per million payment for the services
21 agreement.

22 Q Turning your attention to rebate for
23 FX trades, you're saying that that's a bad
24 nomenclature?

25 A It's a bad nomenclature.

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1 John Dittami

2 A Yes.

3 Q What is the meaning of rebates for
4 FX trades in the context of this document?

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6 but it's to refer to the \$21 per million from the
7 services agreement contract.

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9 Holdings part of the profits that Effex made in
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17 FXCM Holdings a part of the profits Effex made in
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20 this is a per million payment for the services
21 agreement.

22 Q Turning your attention to rebate for
23 FX trades, you're saying that that's a bad
24 nomenclature?

25 A It's a bad nomenclature.

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1 John Dittami

2 Q Who came up with that?

3 A Whoever created this invoice at
4 FXCM.

5 Q What we have here is an invoice with
6 a profit and loss to FXCM Holdings and the invoice
7 is sent by FXCM, LLC to Effex Capital; is that
8 correct?

9 A I believe the invoice was sent from
10 Effex Capital to FXCM.

11 Q Is that correct?

12 A Could you read back his question
13 from so that I can properly answer.

14 (Whereupon, the record was read as
15 requested.)

16 A Yes, the invoice is sent from Effex
17 Capital.

18 Q Why was the payment remitted to FXCM
19 Holdings and not FCM, LLC?

20 A I don't know why it goes to
21 Holdings, not LLC. I see FXCM, I don't know the
22 difference, it's FXCM to me.

23 Q Was a fee per million selected so
24 that it approximated the 70/30 split found in the
25 profit agreement?

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1 John Dittami

2 expenses just under 2 MM, so 35.5 MM net income
3 for Effex, that's about 23 MM annualized bottom
4 line for FXCM," close quotes. Do you see that?

5 A Yes, I do.

6 Q Can you tell us what you mean by
7 that statement?

8 A I have in my head that's roughly
9 about 70 percent of the net income after expenses,
10 so it's roughly about the 70/30 which is still in
11 my head as a rough guideline.

12 Q Was it also a known to Drew Niv and
13 to William Ahdout that the 70/30 percent split was
14 being used as a general guideline?

15 A They knew it was used as a general
16 guideline although Ken Grossman, you know, it's
17 hard because our general guide for employment
18 contracts Ken Grossman would regularly and
19 consistently -- not necessarily Drew, he would
20 regularly and consistently have to remind us, you
21 guys are per million, you're per million.

22 Q Why was he doing that, do you know?

23 A I don't know, he said it's per
24 million but in our heads from this transition it's
25 still in our heads that's roughly at this very

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1 John Dittami

2 A The eleventh, I think it was the
3 eleventh floor.

4 Q You only moved to the eleventh floor
5 but you didn't move to any other floors; is that
6 correct?

7 A That's correct.

8 Q So it was around the time when Effex
9 became organized as an LLC that you actually were
10 moved to the Plaza 5 address?

11 A No, there was -- I was -- used their
12 office space -- I moved to Plaza 5 office space
13 March 1st, April 1st, something like that, I can
14 get you the exact dates of 2011. I didn't have
15 office space when Effex was formed.

16 Q Which was 2010, correct?

17 A Which is 2010, yes. So there's that
18 window of time where I was using their office
19 space.

20 Q So after it's formation how long did
21 Effex continue to operate out of FXCM offices?

22 A Until the day that I moved to --
23 until we moved into our new offices in Jersey City
24 in 2011.

25 Q Do you recall a date?

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1 John Dittami

2 A April 1st but it may have been March
3 1st, it's March or April 2011. I remember the
4 date was secured, the office space was January but
5 I don't remember the date they gave us a move in
6 date, whenever the lease started. We can get
7 that.

8 (E-mail dated 4/9/11 marked Exhibit
9 19 for identification.)

10 Q Let me show you what I marked as
11 Exhibit No. 19. Please take a look at it and let
12 me know when you're done looking at it. This is
13 an e-mail dated April 9, 2011 from you to Drew
14 Niv, Evan Milazzo and William Ahdout and an
15 attachment captioned Effex Weekly Update, April 2,
16 2011 - April 9, 2011.

17 (Witness perusing document.)

18 A I've had time to review it, yes.

19 Q Do you recognize Exhibit 19?

20 A Yes.

21 Q What is it?

22 A It's a weekly update from April 2,
23 2011, April 9, 2011, would have been for FXCM from
24 myself or Chris Meyer and myself combined would
25 have written it.

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1 John Dittami

2 that isn't their business.

3 Q Does Exhibit 22 refresh your
4 recollection that you continued to use FXCM's
5 instant messenger service until at least August
6 31, 2011?

7 A Yes, that sounds --

8 Q Do you know to what date Effex
9 Capital employees continued to use FXCM's instant
10 messenger?

11 A I don't know to what date they
12 continued to.

13 Q Do you know what year?

14 A I don't know what year. I believe
15 it would have been past 2011 though. I believe it
16 would have been 2012 but I don't know what year.

17 Q When Effex Capital was formed how
18 was it capitalized?

19 A How was it capitalized. Well, with
20 my personal funds, John Dittami personal funds,
21 the only owner, et cetera there. The trading
22 margin which is not Effex Capital, the trading --
23 getting a line to do trading was through that
24 Effex prime account, that's my line to do trading
25 but that's not my capital.

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1 John Dittami

2 Q How much was that line?

3 A That was the \$2 million and, again,
4 I don't know if it's an accounting entry or real
5 entry, I don't understand in the FXCM systems but
6 the funds to run the business are my personal
7 funds.

8 Q When it started operations did Effex
9 Capital have it's own prime brokerage account?

10 A When it started business it had a
11 prime brokerage account that was a prime FXCM
12 prime and instantly we started setting up the
13 instant process and going through the negotiations
14 with Citi by mid or July, I'm estimating roughly
15 in July we had our own prime brokerage account
16 with Citi. Before that we had a prime brokerage
17 of prime account through FXCM and then we went to
18 a -- finished our credit review, finished all of
19 our paperwork with Citi and had a full on, full
20 fledged tier one prime by July 2010. We no longer
21 needed a prime of prime brokerage middleman.

22 (E-mail dated 7/26/10 marked Exhibit
23 23 for identification.)

24 Q Let me show you what I've marked as
25 Exhibit No. 23. It's an e-mail dated July 26,

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1 John Dittami
2 cleaner separation of entities if anyone comes
3 sniffing, less resources from internal to support
4 us as we see fit into big picture of all
5 providers, greater control on our end to implement
6 solutions quickly, and we're hired to extremely
7 senior pros specializing in the language we are
8 built on so like them handling this and we will be
9 expanding where we do business outside of just
10 FXCM flow, so I need to start becoming self
11 sufficient," do you see that language?

12 A Yes, I do.

13 Q What did you mean?

14 A I want to get as close to
15 independent as quickly, looking and feeling --
16 we're independent now as entities, how let's get
17 -- let's make sure everything is as independent as
18 it can be. Any differences between us and other
19 banks, the differences don't make P&L differences,
20 so if there's anything just get rid of them, keep
21 clean, we are clean, look clean, feel clean, be
22 clean and I want to run around being, listen, I
23 want to go compete with you guys.

24 Everything we do and we did do, it
25 took time, but continue to grow Effex was now an

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1 John Dittami
2 customer stuff, I clearly understand that Drew is
3 always, you know, talk to Drew, Drew's interest
4 and FXCM's interests is not for me to have --
5 their interest is, don't reject deals, because
6 they don't get markup otherwise, they're interest
7 is in a high market which is five times bigger,
8 more than that, than my payment.

9 I understand that their interest is
10 customers trade more because -- sloppy, yeah. The
11 answer is we just never did that, you know, I'm
12 brain dumping here on this paper like to do often,
13 I would have understood he wouldn't want that.

14 Q Just to be clear, he doesn't say
15 that anywhere in his response to you, correct?

16 A No he doesn't say that in the
17 response here. It's hard to recall 2010 but to do
18 that it's going to be saying, you know, if you had
19 a dealing desk, if I'm guessing -- I'm reading my
20 rambling response, perhaps you can make more money
21 with a dealing desk.

22 But I understood in truth that's --
23 to our retail business that's not what Drew's --
24 he's constantly saying, what do you need to make
25 your business better that doesn't harm customers,

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1 John Dittami
2 what do you don't need to make your business
3 better that doesn't harm customers, what do you
4 need to make your business better that doesn't
5 harm customers, were in business together we're
6 not going to say no to anything as long as it
7 doesn't do us business harm or customers harm,
8 that's the truth, motus operandi constantly.

9 Q Could I have the exhibit back.

10 (Hanging.)

11 (E-mail chain dated 9/8/10 marked
12 Exhibit 31 for identification.)

13 Q Let me show you what's been marked
14 as Exhibit 31. Let me know when you're done
15 reading Exhibit 31. It's an e-mail chain dated
16 September 8, 2010 from you to Darren Merwitz.

17 (Witness perusing document.)

18 A Okay.

19 Q There's an e-mail from Darren
20 Merwitz to you in the middle of the page dated
21 September 8, 2010 at 3:28:59, do you see that?

22 A Yes, I do.

23 Q Bringing your attention to the
24 bottom of the e-mail there is a caption called
25 Client Positioning do you see that?

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COMMODITY FUTURES TRADING COMMISSION

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IN THE MATTER OF:

RETAIL FOREX FRAUD

-----x

140 Broadway
New York, New York

April 8, 2016
9:51 a.m.

CONTINUED DEPOSITION of JOHN DITTAMI, the
witness herein, taken by the Commodity Futures
Trading Commission, pursuant to Agreement, held at
the above-noted time and place, before a Notary
Public of the State of New York.

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1 John Dittami

2 Q You were looking to, I guess,
3 improve Effex's overall position vis a vis FXCM in
4 terms of the profit split; is that correct?

5 A It wasn't the profit split, I'm
6 trying to negotiate my per millions lower to make
7 more money for Effex.

8 Q So Effex can retain a larger portion
9 of its profits?

10 A That's correct, yeah. While
11 maintaining safety, balancing not getting another
12 competitor to come in bouncing them, I'm not
13 trying to decide to do it themselves, balancing
14 all those risks.

15 Q Based on that last round of
16 negotiations, do you recall what percentage of
17 Effex's P&L was going to FXCM at this point?

18 A Don't recall exactly but far less
19 than 70. I mean, I continued negotiating,
20 continued gaining strength and negotiation power,
21 so at this point I don't know, I'm going to guess
22 -- well, first of all, I have to actually say
23 there's P&L related to FXCM, P&L related to all
24 sorts of other trading I do, so that's the first
25 thing, so I can't really separate.

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1 John Dittami

2 Securities and Exchange Commission?

3 A When I look at their financials I
4 see a disclosure, we pay for flow to certain
5 liquidity providers, I always assumed that was me.

6 BY MR. DALY:

7 Q Are you aware of any other liquidity
8 providers paying for flow?

9 A I'm aware of other liquidity
10 providers definitely pay for flow.

11 Q Let me withdraw the question. Pay
12 for flow to FXCM?

13 A I think at one time BNP paid for
14 flow but I don't think it was for U.S. retail
15 flow.

16 Q When you say at one time, do you
17 have a specific time period in mind, ballpark?

18 A About 2010ish, but I don't think
19 that was for retail flow, I don't think that was
20 for U.S. flow.

21 Q We're talking about paying for flow,
22 we're talking about the payments you described as
23 part of the licensing agreement, correct?

24 A Correct, yes. I wouldn't know what
25 agreements they had or what they would be. They